



June 4, 2007

***SUBMITTED VIA ECFS***

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, DC 20554

Re: ***Reply Comments***  
***In the Matter of Service Rules for the 698-746, 747-762 and 777-792***  
***MHz Bands, WT Docket No. 06-150***

Dear Ms. Dortch:

USA Broadband, LLC is pleased to submit its Reply Comments in the above-referenced 700 MHz proceeding. We write to support the views of the Wireless Internet Service Provider Association ("WISPA") and others seeking to promote opportunities for rural service providers to acquire spectrum under rules that will lower barriers to entry and facilitate build-out in rural areas. Specifically, we ask the FCC to:

- License the lower 700 MHz B Block according to Cellular Market Areas ("CMAs"), and license the upper 700 MHz according to the FCC's "Proposal 2," with the C Block licensed according to CMAs;
- Adopt a 20% bidding credit, applicable in the rural CMAs (CMAs 307-734), for bidders that do not have a "material relationship" with a "large wireless carrier" or a "large cable operator."
- Adopt the FCC's proposal for geographic build-out requirements, except in the rural CMAs where licensees would be exempt from the three-year and five-year coverage benchmarks.

***About USA Broadband, LLC***

Illinois-based NOW Wireless, LLC, and the Missouri Farmers Union have developed a unique relationship in the forming of USA Broadband, LLC. This entity has formed an operating company for a fiber-to-building triple-play service (voice, internet, and entertainment) and a radio-based broadband internet service that will cover 6,000 square miles. This service company will leave no farmer or rural family behind – every business and family will be able to obtain this broadband service. Our joint venture, USA Broadband, has developed a solid business strategy that puts the infrastructure in place for high quality, affordable broadband service throughout the Heartland.

### ***Our Mission***

USA Broadband's philosophy is that no community or farmer be 'left behind.' This means that every farmer, business, small office/home office and resident within USAB's service area will have access to the latest in high-speed broadband services. This mission will also contribute significantly to the quality-of-life in all of the counties that receive these services. We believe that our communications services will provide a huge economic advantage not only in the towns, but also in the entire county where our services are available.

### ***CMA Licensing***

We believe that auctioning licenses according to smaller geographic areas affords rural Internet Service Providers the best opportunity to acquire spectrum that fits their existing footprint and neighboring areas where service could be expanded. At the same time, we recognize that larger companies may desire spectrum to establish a regional or nationwide network.

We support the FCC's band plan for the lower 700 MHz band because it would make licenses available for large (REAG) medium (EA) and small (CMA) market sizes. In particular, it is vitally important to use CMAs for companies like USA Broadband that want to establish or expand local services. We also like the fact that the B Block is adjacent to the C Block, which has already been auctioned. This creates opportunities for existing licensees in the small markets to double their spectrum capacity, and it will also make it easier for companies to partner, or compete, with each other in these areas.

We also support the FCC's "Proposal 2" for the upper 700 MHz band. Of the various band plans presented, "Proposal 2" is the only one that would specifically set aside a spectrum block that would be auctioned by CMA. Like the lower 700 MHz band and the AWS bands, licenses would also be made available for large (REAG) and medium (EA) market sizes. In short, "Proposal 2" is best because it contains the most diverse "geographic mix" of licenses and is the only plan that would make upper 700 MHz spectrum available on a CMA basis.

As a wireless ISP operating in rural Illinois, USA Broadband has no interest in acquiring REAGs or EAs, but has strong interest in bidding for smaller areas such as CMAs. We agree with WISPA that we "should not be required to bid successfully for large areas just to secure rights to the smaller area" we desire.<sup>1</sup> We also note that SpectrumCo was able to acquire 137 EA licenses at the AWS auction, indicating that bidders can aggregate medium-sized license areas to create regional and nationwide footprints.<sup>2</sup> Given that there will be both REAG and EA licenses available under "Proposal 2," along with the smaller CMA licenses, we believe that this plan is best.

---

<sup>1</sup> Comments of the Wireless Internet Service Provider Association, WT Docket No. 06-150 (filed May 23, 2007) at 6.

<sup>2</sup> See Comments of Spectrum Co LLC, WT Docket No. 06-150 (filed May 23, 2007) at 1 and 10.

### ***Bidding Credits***

USA Broadband urges the FCC to adopt WISPA's proposal to allow bidders in the rural CMAs a 20% bidding credit if they do not have a "material relationship" with a "large wireless carrier" or a "large cable operator" having average gross revenues of more than \$5 billion for the three years preceding the auction.<sup>3</sup> While we understand that the FCC does not like to restrict auction eligibility, a bidding credit allows all to participate and rewards only those auction winners in rural markets that would not have an influential relationship with an incumbent carrier. We think this will have several benefits:

- New entrants will be given extra motivation to participate in the auction for the smaller markets they likely will desire, and will have a better chance of succeeding at the auction.
- The bidding credit will lower entry costs for new entrants – without the bidding credit, USA Broadband may elect to not participate in the auction.
- The FCC has in many auctions employed bidding credits to promote small businesses, and the additional bidding credit for rural CMAs would be consistent with FCC policies designed to benefit rural carriers.
- The 20% bidding credit would be available only in the 428 rural CMAs – the truly rural markets where financial needs are greatest and bidding credits would be most beneficial.
- No party would be excluded from participating.

### ***Build-out Rules***

We support the proposals made by a number of rural-based organizations and companies that favor adoption of geographic build-out rules.<sup>4</sup> Specifically, for all markets except rural CMAs, we endorse the FCC's proposal to require 25% of a license area to be built out in the first three years, 50% of a license area to be built out in five years, and 75% of a license area to be built out in eight years. For the rural CMAs only, the first 25% milestone should not apply, but the 50% and the 75% milestone should apply.

In our experience, much of rural America remains underserved by companies using licensed spectrum or wired solutions (such as DSL and cable modem service) for broadband services. By strengthening its build-out rules, the FCC can encourage licensees to expand their networks, rather than just focusing their build-out costs in more profitable urban areas. The existing "substantial service" rules have done little to promote service in rural areas.

Because of the additional costs and added time it will take for rural areas to be built out, we ask that the three-year be relaxed in the rural CMAs. Other commenters have well-documented the difficulties that rural companies may have in obtaining equipment in an expeditious manner, and we believe that five and eight-year milestone will be sufficient to encourage build-out in rural markets.

---

<sup>3</sup> See WISPA Comments at 7-11.

<sup>4</sup> See WISPA Comments at 12-14; Comments of the Rural Cellular Association, WT Docket No. 06-150 (filed May 23, 2007) at 5-11; Comments of the Rural Telecommunications Group, Inc., WT Docket No. 06-150 (filed May 23, 2007) at 9-10; Comments of the National Telecommunications Cooperative Association, WT Docket No. 06-150 (filed May 23, 2007) at 5-7.

***Conclusion***

USA Broadband appreciates the opportunity to participate in this important proceeding and urges the FCC to take steps consistent with these Reply Comments.

Respectfully submitted,

*/s/ Barry Goodwin*

President of NOW Wireless, LLC,  
Managing Member of USA Broadband, LLC